Tax Reform Act of 1976

By
Joseph E. Hollis & Kevin G. Miller

[Author's Note: This is the fourth in a series of articles relating to the Tax Reform Act of 1976. This act represents a major revision of the Internal Revenue Code of 1954. The changes are complex, comprehensive and will affect every person or organizations who comes under the Internal Revenue Code. This series of articles is not to be taken as the final word regarding the provisions of the Act but rather to provide accurate and professional information relating to the subject matter. Many provisons of the Act may require the assistance of competent professionals and should not be left to the judgment of the layman. The effective date of these changes vary from 1974 to 1981.

Taxable Income Credit - Effective for taxable years ending after Dec. 31, 1975.

The general tax credit of $30 for each taxpayer and each of his dependents has been increased and extended to Jan. 1, 1978.

Taxpayers are entitled to deduct a $35 tax credit for himself/herself and for each dependent or 2% of the first $9,000 of taxable income.

There is no additional credit for blindness or taxpayers over 65 years of age.

Retirement Income Credit - Effective for taxable years beginning after 12/31/75.

(Note: This provision is a 2-step change in the maximum base and it involves taxable year beginning after 12/31/75 and 12/31/76.)

The "retirement income credit" has now been replaced with a much less restrictive "credit for the elderly". Now, taxpayers 65 or over with earned income, may benefit because the tax credit is no longer limited to "retirement income". Also, the old requirement that individuals must have at least $600 of earned income in each of the preceding 10 years has been dropped.

The maximum base amount of income for which the $5% credit may be claimed is $2,500 for a single taxpayer who is 65 or over or married couples filing jointly., if only one is 65 or over; $3,750 for married couples filing jointly if both are 65 or over; and $1,875 for married persons filing separately.

The maximum base amount of income for which the credit may be claimed must be reduced by half of his/her adjusted gross income which exceeds $7,500 for a single taxpayer; $10,000 for married couples filing jointly; and $5,000 for married person filing separately.

The tax credit is therefore lost if the adjusted gross income of the taxpayer/taxpayers income reaches: $12,500 for singles, $15,000 for married couples - only one 65 or over; $17,500 for married couples both 65 or over; and $8,750 for married person filing separately. To claim the credit, married couples must file a joint return. An exception allows a married person to file separately if he/she lived apart from the other spouse for the entire year.

Optional Tax Table - Effective for taxable year beginning after 12/31/75

The new tax table is based on taxable income and it must be used by all taxpayers with a taxable income of $20,000 or less, whether you itemize deductions or not. Taxable income is adjusted gross income less personal exemptions and the standard deductions or itemized deductions.

Student Loans and Scholarships - Effective for loan discharged before January 1, 1979.

Student loans that are partially or wholly forgiven, if the students work at certain jobs after graduation, are not included as gross income. This rule applies to local, state and U. S. government loans made directly or through educational institutions.

State Legislators - Affects all open tax years.

"Away from home" living expenses other than expense for his/her tax home or residence in the legislative district are deductible. The claim for deductions is limited to the per diem amount allowed government employees for each day of actual participation in legislative activities including days when in recess for four or less days.

This also applies for taxable years before 1/1/76 which are not barred by the statute of limitations but the claim can't be more than was calimed on an original or amended return that was filed before May 21, 1976.

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CLASSIFIED ADS GET RESULTS

Virginia Fibre Lists Wood Purchases For Week

Virginia Fibre Corporation has listed total dollar volume of wood purchased for the week ending December 12, 1976.

Wood purchased are listed below by counties:

Albermarle	$2,001.69
Amelia	2,060.15
Amherst	1,634.69
Appomattox	3,144.24
Augusta	492.96
Bedford-County	1,367.94
Buckingham	8,182.70
Campbell	1,613.23
Cumberland	1,570.78
Halifax	246.28
Nelson	3,446.86
New Kent	1,062.49
Pittsylvania	3,660.51

Wood purchases made from Appomattox County and the surrounding counties is a great asset to the area. It puts money into pockets of a number of people that would not otherwise have it.

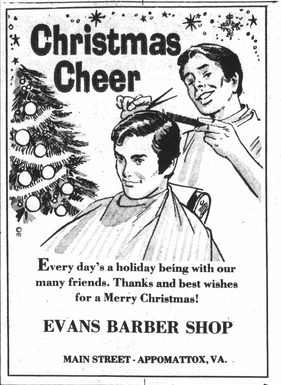
GOOD PRICE FOR 720 POUNDS TOBACCO

O. B. Garris of Appomattox sold 720 pounds of tobacco last week. Prices ranged from $1.41 to $1.49 per pound, averaging $145.85 per hundred pounds.

He sold tobacco at the Farmville Tobacco Warehouse.

ART SUPPLIES SEE THE TIMES-VIRGINIAN COURT ST.

FOR THE FINEST IN OFFICE SUPPLIES SEE THE TIMES-VIRGINIAN Court Street Appomattox, Va.



Every day's a holiday being with our many friends. Thanks and best wishes for a Merry Christmas!

EVANS BARBER SHOP

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May the spirit of Christmas remain in your hearts all through the holidays.

MERRY CHRISTMAS

J. E. Jamerson & Sons, Inc.
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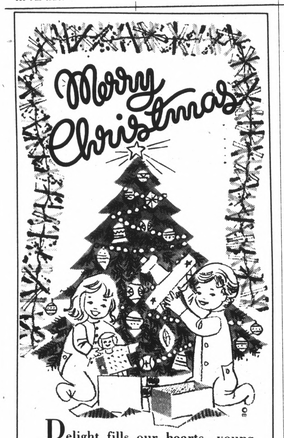
HERO GIRL OF THE MONTH

Willa Coleman, our HERO girl of the month is a senior at ACHS and the daughter of Mr. and Mrs. Henry Coleman of Rt. 1, Appomattox, Va. Willa is vice-president of our HERO (Home Economics Related Occupations) club and in her second year as a member, Willa has taken home economics for five years, and is now in Occupational Clothing II. She is very active in her church work and participated in all the money making projects for our club.



Delight fills our hearts, young and old alike, on Christmas morn. May the joy that illuminates your home remain with you all through the holiday.

Harvey's Market
Pamplin, Va.

Merry Christmas

May the true meaning of Christmas bring you gifts of the spirit . . . peace, love, hope, joy . . . and bless your life with treasures that grow richer with time.

WE WOULD LIKE TO TAKE THIS OPPORTUNITY TO WISH OUR MANY PATRONS AND FRIENDS A VERY MERRY CHRISTMAS.

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How does one express the attitude of fire cured tobacco producers toward 1976 prices? Overwhelmed? Surprised? Overjoyed? Heartened? Before the market opened there were a number of people who felt that tobacco would average $1.00 a pound, but not a $1.15 of $1.25 or whatever. It's only been in the past three years the grower of dark tobacco has begun to be paid a reasonable price for his product. It's about time and I'm particularly glad to see it happening.

* * *

The Dark Fire Cured Tobacco Recognition Banquet will be held February 28th at the Appomattox County High School Cafeteria. If you are participating in this program and have finished selling tobacco, we need to make a copy of your warehouse receipts -- please bring them by our office.

* * *

Have you been watching slaughter cattle prices -- they're up to $40 and $41 per CWT. Hog prices have bounced back slightly, but no one expects them to stay this high. With hog prices depressed now is a good time to make arrangements to move into this enterprise by late fall of '77. Purchase improved breeding stock whenever prices are down. You'll spread your dollars further.

Cow-calf producers have been feeling the crunch of low prices for some time. At current production prices it takes about $150 to keep a beef cow (all costs). If a calf weighs 500 pounds and brings 32c that's just $160. But the average calf on the Lynchburg Sale will average less than 460 pounds and this means even fewer dollars.

Where it's possible we need to spread the risk -- keep a cow-calf herd, feed out a few steers -- keep 15-20 sows, feeder pigs, but if corn is abundant feed out some market hogs -- add a flock of sheep. By the way, if you are interested in money there's more money in sheep than any other livestock commodity. Cow-calf producers and dairymen can have a ewe with each cow and never miss the gross they'll each set.

* * *

Coming up on February 23 will be a production tested boar sale in Farmville.

The Animal Science Department at Virginia Tech annually sponsors a short course. Last year Ed Anderson and Horace Coleman attended the course for cow-calf producers. This year, March 2-3, there will be a large number feeding steers, but if you are thinking about doing it --- this should be a must. The short course is limited to 100 participants -- so if you are interested give us a call.

* * *

You'll be interested in the results of some corn test demonstrations. These are indications and not hard recommendations; however, you may want to test a limited portion of your corn crop next year.

* * *

In 1975 Furadan used on conventionally tilled corn at four locations gave yield increases of 10 bushels per acre; this was when the rotation was corn following corn or corn following soybeans. In 1976 the increase was 7.3 bushels.

The use of a starter fertilizer has been tested at five locations for three years with only a 3 bushel advantage. However, this year one test on a sandy loam soil, during a cool spring with a phosphorus test of H there was a 9 bushel increase. The starter fertilizer was 300 pounds of 8-8-8 put down by the planter.

One company has introduced an innoculant for cereal grasses including corn. The idea is to fix nitrogen on non-legume crops. At five locations this year this product did not affect plant growth nor increase yields.

* * *

If you plan to order sweet potato seed from the Virginia Crop Improvement Seed Farm they ahve the following varieties: Centennial, Goldmar, Redmar, Baker, Jewel, Painter and Jasper.

Since some varieties are available in limited quantities it might be smart to place orders now.

* * *

Transco Declares Stock Dividend

HOUSTON, Texas, Dec. 14 - Directors of Transco Companies, Inc., today declared a quarterly dividend of 22½ cents per share on its common stock, payable Feb. 20, 1977, to stockholders of record on Feb. 4, 1977.

Directors of Transcontinental Gas Pipe Line Corporation, Transco's principal subsidiary, declared regular quarterly dividends on its preferred shares, payable Feb. 1, 1977, to stockholders of record Jan. 14, 1977.

Transco Companies, Inc., an energy-supply company, is the parent of Transcontinental Gas Pipe Line Corporation, a major interstate pipeline system for the purchase, sale and transportation of natural gas from Texas and Louisiana to the eastern United States. Through Transco Exploration, it is engaged in exploration for oil and gas both onshore and offshore in the United States. In addition, through other subsidiaries, Transco is pursuing projects for obtaining gas from synthetic and supplemental sources and other energy-related projects.

ROBERT E. LEE STUDENTS VISIT HICKORY GROVE

On Thursday, December 16, Mrs. Myrick's class from Robert E. Lee Academy visited patients at Hickory Grove. They presented them with gifts and a program of music.

Shown in photo above, left to right, are Wayne King, Mary Beth Everly, Kim Johnson, Robin Branch, Sandy Kitchen, Mrs. Myrick, P. W. Kitchen, Liz Pierce, Mary Lee Bryant, Bonnie Layne, and Stella Osborne, students and teacher making the Christmas visit.

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Fidelity Declares Stock Dividend

LYNCHBURG, Dec. 15 - The Board of Directors of Fidelity American Bankshares, Inc., a Lynchburg based registered bank holding company, has declared cash dividends of $.24 per share on its common stock and $1.50 per share on its Cumulative Convertible Voting Preferred Stock, Series A.

Both dividends are payable Feb. 1, 1977 to shareholders of record as of Dec. 31, 1976.

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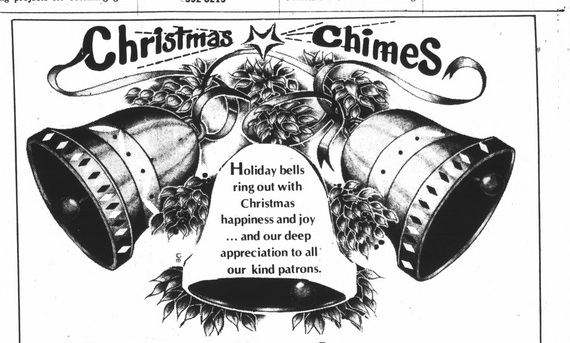

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Greetings *with the* Spirit *of* Christmas

Peace and love . . . hope and joy . . . goodwill among men and nations . . . these heartfelt wishes we share with you this happy holiday season. We hope your Christmas is a truly beautiful one.

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Rev. and Mrs. Earnie Lucas And Family
Appomattox, Va.